



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** April 29, 2008

**TO:** Mayor and Councilmembers

**FROM:** Water Resources, Public Works Department

**SUBJECT:** Contract To Conduct A Feasibility Evaluation For The  
Recommissioning Of The Hydroelectric Plant

### RECOMMENDATION:

That Council authorize the Public Works Director to negotiate and execute a contract with Brown and Caldwell in the amount of \$77,512 to evaluate the recommissioning of the hydroelectric plant located at Lauro Reservoir, and authorize the Public Works Director to approve expenditures up to \$7,750 to cover cost increases that may result from unanticipated changes to the scope of work.

### DISCUSSION:

The existing 750-kW Gibraltar Hydroelectric Project was constructed in 1985 at Lauro Reservoir, located at the north end of San Roque Road in Santa Barbara. The intention of the project was to capture energy from the water that flows approximately 5.7 miles from Gibraltar Dam to Lauro Reservoir. The hydroelectric plant is a complete, stand-alone system. It was constructed within the fenced Lauro Reservoir, on land owned by the U.S. Bureau of Reclamation (USBR). Operating the hydroelectric plant on U.S. property obligated the City to have the facility permitted by the Federal Energy Regulatory Commission (FERC).

The hydroelectric plant produced an average of 1,849 Megawatt/hours per year from 1985 to 1998. The energy generated was put directly into the power grid. Through a Power Sales Agreement, the City received payment from Southern California Edison (SCE) for the energy generated. Because of increasing administrative and regulatory requirements, the City ceased using the hydroelectric plant in 1998. At that time, the City also worked with SCE to mutually terminate the Power Sales Agreement, and had the hydroelectric plant deregulated through FERC.

At this time, we are interested in recommissioning the hydroelectric plant. To do so, we believe it is important to have expert evaluation of the plant's current condition and any work needed to return it to working condition. Additionally, we are seeking advice on how best to navigate the complex regulatory framework of operating a power plant on USBR property, and determine the best option for use of the energy that is generated.

Staff issued proposals to qualified firms and received two proposals. The proposal submitted by Brown and Caldwell best meets the City's needs, as it is responsive both to the primary objective of evaluating the hydroelectric plant, and to the secondary objective of assessing any other power-generating potential associated with the water delivery systems serving the City of Santa Barbara.

**BUDGET/FINANCIAL INFORMATION:**

Staff has negotiated an acceptable contract amount of \$77,512, plus change order authority of \$7,750, for a total not to exceed \$85,262. This project was included in the capital budget and there are adequate funds in the Water Fund budget to complete this work.

**SUSTAINABILITY IMPACT:**

Small hydroelectric plants, such as the one at Lauro Reservoir, generate clean power. Recommissioning the hydroelectric plant is in keeping with the City's desire to reduce greenhouse gas emissions.

**PREPARED BY:** Rebecca Bjork, Acting Water Resources Manager\RB/spm

**SUBMITTED BY:** Paul Casey, Acting Public Works Director

**APPROVED BY:** City Administrator's Office